

State of Alaska FY2008 Governor's Operating Budget

Department of Environmental Conservation Spill Prevention and Response Director Component Budget Summary

Component: Spill Prevention and Response Director

Contribution to Department's Mission

Protect public safety, public health and the environment through prevention, preparedness and cleanup of oil and hazardous substance releases.

Core Services

- Manage Division resources to protect public health and the environment through safe handling of oil and cleanup of oil and hazardous substance releases.
- Manage the Oil and Hazardous Substance Release Prevention and Response Fund.
- Coordinate state spill prevention and response programs with state and federal agencies, industry and nongovernmental organizations.
- Implement state spill prevention and response programs to ensure the safe handling of oil through prevention, preparedness and response using a risk-based approach.

Major Activities to Advance Strategies

- Manage Division resources to ensure response, removal and remediation of oil and hazardous substance releases.
- Implement a risk-based decision making process to ensure that division resources are directed to the highest priority division needs.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$277,900

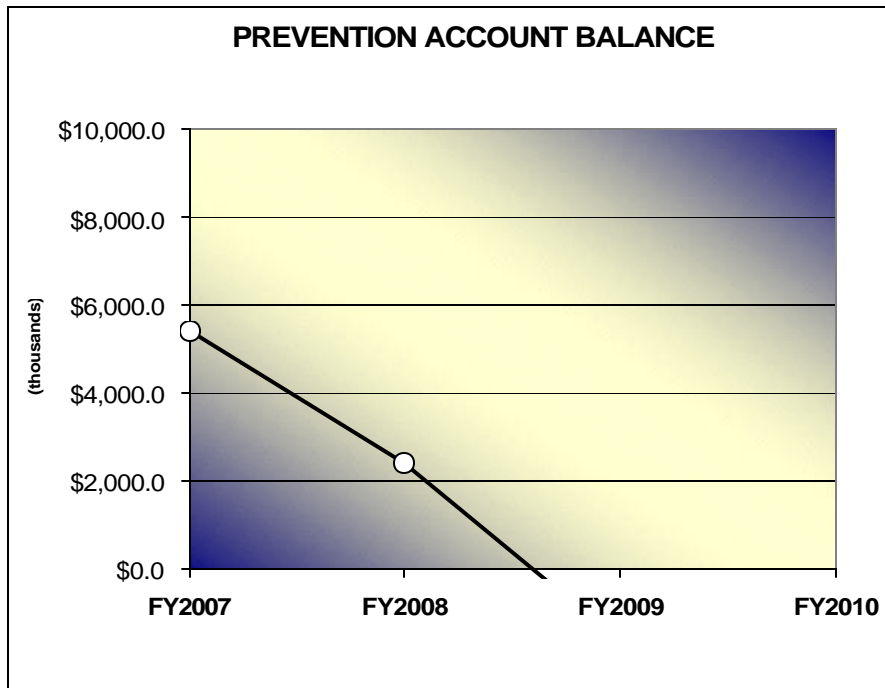
Personnel:

Full time	2
Part time	0
Total	2

Key Component Challenges

Three programs in the division implement a wide array of interrelated activities to meet the Division goals for prevention preparedness and response. The programs include the Prevention and Emergency Response Program, Industry Preparedness Program and Contaminated Sites Program. The programs are designed to meet the Department's statutory obligation to protect public safety, public health and the environment while fostering economic growth and resource development through rational, unambiguous, predictable and integrated regulatory requirements.

Revenues to the Prevention Account of the Oil and Hazardous Substance Release Prevention and Response Fund come from a combination of cost recovery, fines, penalties and settlements, investment income, and a 4-cent per barrel surcharge on crude oil production. In recent years, revenues have been declining due to a number of factors, including a reduction in crude oil production from a peak of 2 million barrels per day to less than 800,000 barrels per day. Revenues have declined to a point where they can no longer sustain the division's core spill prevention, preparedness and response programs (see graph below).



*Updated 10/26/2006 Includes ongoing appropriations to DOT and DNR.

Other challenges include increased oversight and integrity management of oil and gas operations through enhanced compliance inspections and implementation of new pipeline regulations.

Significant Changes in Results to be Delivered in FY2008

None.

Major Component Accomplishments in 2006

Adopted new regulations for oil and gas pipelines upstream of production centers.

Successfully responded to 32 significant spills including the Selendang AYU, Seabulk Pride, GC2 pipeline spill and others.

Conducted assessment, cleanup, monitoring or oversight at over 3,000 contaminated sites in Alaska.

Completed major redevelopment of contaminated sites to accommodate construction of two box stores in Fairbanks; a nature and wildlife preserve for Ketchikan tourists; construction of new high school artificial turf football field in Juneau and a convention center in Kenai.

Conducted 110 inspections of regulated facilities, evaluated 75 oil spill exercises and participated in 38 spill drills.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, 18 AAC 75, 18 AAC 78.

Contact Information
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Spill Prevention and Response Director Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	187.4	200.1	228.9
72000 Travel	21.5	18.8	18.8
73000 Services	41.2	28.7	28.7
74000 Commodities	12.1	1.5	1.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	262.2	249.1	277.9
Funding Sources:			
1007 Inter-Agency Receipts	21.5	0.0	0.0
1052 Oil/Hazardous Response Fund	240.7	249.1	277.9
Funding Totals	262.2	249.1	277.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Manageme nt Plan	FY2008 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Interagency Receipts	51015	21.5	0.0	0.0
Restricted Total		21.5	0.0	0.0
Total Estimated Revenues		21.5	0.0	0.0

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	249.1	249.1
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.0	0.2	0.2
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	0.0	0.0	28.6	28.6
FY2008 Governor	0.0	0.0	277.9	277.9

**Spill Prevention and Response Director
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
			Annual Salaries	137,280
Full-time	2	2	Premium Pay	0
Part-time	0	0	Annual Benefits	98,139
Nonpermanent	0	0	Less 2.77% Vacancy Factor	(6,519)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	228,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	0	0	2	0	2